

KEY HEADLINES:

- A widely watched segment of the Treasuries yield curve steepened further Thursday, taking out yet another historic level as it hit a mark last seen in October 2015. The latest steepening push -- in which the gap between 5- and 30-year yields touched 147.7 basis points -- is being led by the U.K. bond market, where longer-maturity debt weakened following a Bank of England policy announcement. The central bank said the U.K. economy is heading for a rapid rebound amid a bold vaccination effort. The U.S. curve has been on a steepening trend since July.
- It's been a busy week in the US Dollar as the bullish reversal continues to take-hold. This was in the spotlight during January trade as a number of reversal formations began to set up. Even coming into the New Year, the US Dollar carried bullish potential as shown by a falling wedge pattern. Falling wedges are denoted by a more aggressive slope from trendline resistance compared to what's showing at or around support. These can often show up around market bottoms with oversold conditions, and will often be approached with the aim of bullish reversals.
- January's employment picture appears to have improved over December, but how much so depends in big part on the impact of the virus and restrictions on the struggling hospitality and leisure sector. The U.S. Bureau of Labor Statistics will release its "employment situation" report for January on Friday morning, detailing the unemployment rate, as well as the number of jobs added or lost last month. Economists expect 50,000 payrolls were added in January, after a decline of 140,000 in December, according to Dow Jones. The unemployment rate is expected to stay at 6.7%.

Economic Indicators to be released.

Indicator	Currency	Forecast	Previous	Impact
Average Hourly Earnings m/m	USD	0.3%	0.8%	MEDIUM
Non-Farm Employment Change	USD	55K	-140K	MEDIUM
Unemployment Rate	USD	6.7%	6.7%	MEDIUM

Support Resistance Levels – Currency Future:

Currency	LTP	S1	S2	R1	R2	Trend
USDINR FUTURE	73.15	73.00	72.70	73.30	73.60	Sideways
EURINR FUTURE	87.77	87.55	87.15	87.95	88.40	BEARISH
GBPINR FUTURE	99.37	99.10	98.60	99.60	100.10	BEARISH
JPYINR FUTURE	69.52	69.30	68.90	69.70	70.10	Sideways

RESEARCH BONANZA

FOREIGN CURRENCY SEGMENT

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